State of Michigan
Evaluation of the Internal Control Structure (ICS)
In Effect During the Two-year Period Ended September 30, _____

- Worksheet for Evaluating the _Information and Communication_ Component of the ICS -

Description of Departmental Activity: _____

Evaluation Criteria:	Description/Comments on Policies/Procedures/Practices (Conclusions regarding control system strengths and weaknesses):
1. Information	
Relevant data is identified, captured, processed, and reported by information systems, both statewide and department specific systems. This information should include financial, economic, regulatory data, etc. ♦ Obtains internal/external data; provides management with necessary reports on program area performance relative to established objectives. Consider whether: • Mechanisms exist to obtain relevant external data on market conditions, private vendor services and prices, legislative or regulatory developments, economic changes, etc. • Identifies and regularly reports on internally generated data critical to achieving program area objectives, including data relative to critical success factors. • Data that managers need to carry out their responsibilities is reported to them. • Uses benchmarking and best practices to identify "stretch goals."	
♦ Provides timely data, in sufficient detail, enabling personnel to carry out their responsibilities efficiently and effectively. Consider whether: • Program managers receive financial and operational data enabling them to identify actions to be taken: programs may be adjusted based upon information received. • Information is provided at the proper level of detail in accordance with different management levels. • Data is summarized appropriately to provide pertinent information, while permitting closer inspection of details as needed. • Information is available on a timely basis, to allow effective monitoring of events/activities (internal and external) and prompt reaction to economic factors and control issues.	
♦ Develop or revise data systems, based on a strategic plan for information systems--linked to overall departmental strategy--and responsive to achieving department-wide/program-level objectives. Consider whether: • A mechanism (e.g., information technology steering committee) is available to the program area for identifying emerging needs. • Managers, with sufficiently broad responsibilities, determine the program area's information needs/priorities. • The program area's data systems initiatives are consistent with overall departmental information technology plans.	
♦ Management demonstrates support for developing needed information systems by committing adequate human and financial resources. Consider whether:	

Evaluation Criteria:	Description/Comments on Policies/Procedures/Practices (Conclusions regarding control system strengths and weaknesses):
• Sufficient resources (managers, analysts, and programmers - with the requisite technical abilities) are provided, as needed, to develop new or enhance existing information systems.	
1. Information - Overall Conclusion/Control System Strengths & Weaknesses	
2.Communication	
Communication, inherent in information processing, encompasses expectations and responsibilities of individuals and groups. To be effective, communication should occur down, across and up an organization and with others, external to the organization. ♦ Employees' duties and control responsibilities are communicated effectively. Consider whether: • Formal/informal training sessions, meetings, and daily supervision are sufficient in effecting communication. • Employees understand objectives of their activities and how they contribute to achieving the objectives. • Employees know how their responsibilities affect, and are affected by, the responsibilities of other employees.	
♦ Management's receptivity to employee suggestions for enhancing productivity, quality or other improvements. Consider whether: • Mechanisms exist for employees to issue recommendations. • Program management evaluates and implements useful employee recommendations.	
♦ Adequacy of communication across the organization, between administrative units and operating agencies/program areas, etc.; completeness and timeliness of data and its sufficiency to enable employees to discharge their responsibilities effectively. Consider whether: • Operating agencies/program areas inform departmental program areas, and other departments of new services in a timely manner. Conversely, customer agencies inform operating agencies/program areas of needed services.	
♦ Openness with customers, vendors/contractors and other external parties for communicating information on emerging needs. Consider whether: • Feedback mechanisms with all pertinent parties exist (e.g., operating agencies/program areas inform OOP of vendors/contractors providing substandard commodities or services). • Suggestions, complaints and other input are captured and communicated to relevant internal parties in a timely manner. • Information is reported upstream as necessary and follow-up action taken.	
♦ Outside entities are informed of the department's ethical standards (e.g., confidentiality, prohibition on acceptance of gifts from vendors, etc.). Consider whether: • Communication with outside entities is provided by managerial level commensurate with the nature and importance of	

Evaluation Criteria:	Description/Comments on Policies/Procedures/Practices (Conclusions regarding control system strengths and weaknesses):
the message (e.g., management sends written explanation of department's ethical standards to outside entities). • Customers, vendors/contractors, etc. understand standards and expectations regarding actions in dealing with the department/program area. • Standards are enforced in routine dealings with outside parties. • Improprieties by employees of external parties are reported to the appropriate personnel.	
♦ Management's timely follow-up to communications from customers, vendors/contractors, departments, etc. Consider whether: • Personnel are receptive to problems reported regarding services, etc.; reports are investigated and acted upon. • Billing errors are corrected; source of errors is investigated and corrected. • Staff, independent of those involved with original transactions, process complaints. • Appropriate actions are taken; there is timely follow-up communication with original sources. • Top program area management is aware of the nature and volume of complaints.	

1. *Communication* - **Overall Conclusion/Control System Strengths & Weaknesses**

INFORMATION AND COMMUNICATION – Overall Conclusion/Control System Strengths & Weaknesses

I certify that this evaluation of *Information and Communication* component of the internal control structure, for the activity defined as _____ , in effect during the two-year period ended 9/30/04 has been conducted in a reasonable and prudent manner, and I concur with the conclusions documented above as a result of this evaluation.

_____

Activity Level Manager Signature   **Date**